

IN THE UNITED STATES BANKRUPTCY COURT FOR
THE EASTERN DISTRICT OF TENNESSEE
KNOXVILLE DIVISION

In Re:

T.C.'s Grill, Inc.

Docket No: 3:18-bk-32229-SHB

Debtor

CASE MANAGEMENT SUMMARY

COME NOW the Debtor, by and through counsel, and pursuant to the Order of the Court files this Case Management Summary.

T.C.'s Grill, Inc. operates a restaurant known as TC's Grill located at located at 2514 Old Niles Ferry Rd., Maryville, TN 37803. Debtor's gross annual revenues for tax year ending December 31, 2017 was \$1,035,532.88. Debtor's gross annual revenues for the tax year ending December 31, 2016 was \$847,053.19. At the time of filing, Debtor owed 6 days of payroll to its employees in the amount of \$9,941.57. At the time of filing, Debtor owed the amount of \$29,332.59 in sales taxes to the state of Tennessee, plus the amount of \$7,036.00 to the Tennessee Department of Workforce Development. At the time of filing the Debtor owed the United States the amount of \$28,076.68 for past due payroll taxes.

The Debtor is a corporation whose sole owner is Steve A. Nelson. Mr. Nelson is the president of the Debtor. The secretary of the company is Steve Nelson's wife Audrey Nelson. Mr. & Mrs. Nelson are the sole directors. Although both of the Nelsons work at the restaurant neither of them receive a salary from the company however all employees are entitled to one meal per day at the restaurant. Mr. Nelson owns a company known as K T & I Enterprises, Inc. who provides payroll processing and bookkeeping services for the company. During the year

preceding the filing K T & I Enterprises was paid \$18,000 for processing payroll and for bookkeeping services.

Debtor filed for bankruptcy because the Debtor became past due in many of its obligations including payroll taxes and sales taxes. In order to continue operating the Debtor needed to pause the payment of past due debts and make changes to parts of its operations including reduction in payroll expenses.

At the time of filing its bankruptcy case the Debtor owed the following amounts to creditors:

Secured Creditors	\$250,985.81
Unsecured Priority Creditors	\$ 64,445.27
General Unsecured Creditors	\$ 61,357.78

The Debtor's primary assets are the restaurant which is operated pursuant to a lease, restaurant equipment, a mobile kitchen (often referred to as a food truck), and a Ford 350 truck to pull the mobile kitchen. The mobile kitchen is titled in the name of K T & I Enterprises, Inc. who holds the property for the Debtor. The Ford 350 truck is titled in the name of Steve A. Nelson who holds the property for the Debtor. The total value of the Debtors assets are believed to be \$494,029.09.

It is expected that the Debtor will file a plan of reorganization that pays out all of the creditors over time. At this time the Debtor is hopeful that a cramdown will be unnecessary. The Debtor is restructuring its payroll by eliminating positions and altering its hours of operations in order to increase the profitability of the restaurant. Sales at the restaurant have increased from approximately \$850,000 two years ago to an expected \$1,200,000 this fiscal year. The Debtor

leases its building and expects to assume the lease on confirmation of its plan.

The Debtor has already sought and obtained permission to pay pre-petition payroll and to use cash collateral to pay its ongoing obligations. A final hearing on the use of cash collateral is scheduled for September 20, 2018. At this time, the Debtor does not anticipate any additional requests for emergency relief.

Respectfully submitted this the 14th day of August, 2018.

SCOTT LAW GROUP, PC

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